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Report Highlights:

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- MEXICO TO ISSUE IMPORT PERMITS FOR U.S. HIGH FRUCTOSE CORN SYRUP
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Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

WELCOME TO HOT BITES FROM MEXICO, A WEEKLY REVIEW OF ISSUES OF INTEREST TO THE U.S. AGRICULTURAL COMMUNITY. THE TOPICS COVERED IN THIS REPORT REFLECT DEVELOPMENTS IN MEXICO THAT HAVE BEEN GARNERED DURING TRAVEL AROUND THE COUNTRY, REPORTED IN THE MEDIA, OR OFFERED BY HOST COUNTRY OFFICIALS AND AGRICULTURAL ANALYSTS. READERS SHOULD UNDERSTAND THAT PRESS ARTICLES ARE INCLUDED IN THIS REPORT TO PROVIDE INSIGHTS INTO THE MEXICAN "MOOD" FACING U.S. AGRICULTURAL EXPORTERS. SIGNIFICANT ISSUES WILL BE EXPANDED UPON IN SUBSEQUENT REPORTS FROM THIS OFFICE.

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PRELIMINARY DUMPING DUTIES FOR RED AND GOLDEN DELICIOUS APPLES FOR NFE MEMBERS

The Secretariat of Economy (SE) announced in the *Diario Oficial* (Federal Register), on September 29, 2005, the preliminary anti-dumping duties for imported Red and Golden Delicious varieties from the United States for NFE members listed in a previous official announcement (See MX5050) as follows: Allen Bros Incorporated, 10.53 percent; Price Cold Storage and Packing Co., Inc., 0 percent; Zirkle Fruit Co., 2.01 percent; all other exporting companies affiliated with the Northwest Fruit Exporters, 44.67 percent. SE is indicating that prior to the final resolution companies are being requested to submit information for the time period from January 1, 2004 to June 30, 2005. All parties involved in this process should provide the corresponding information for this new period of time through the official formats. The publication indicates that all parties have 30 working days from September 29, 2005 to provide comments, additional information, data and documents for the case. (Source: *Diario Oficial* 09/29/05)

MEXICO TO ISSUE IMPORT PERMITS FOR U.S. HIGH FRUCTOSE CORN SYRUP

The Mexican Government published in the *Diario Oficial* (Federal Gazette) on September 30, 2005, the criteria to issue import permits for U.S. fructose. The announcement indicates that since the United States has given Mexico access for 250,000 MT of sugar to the U.S. market, thus complying with NAFTA agreements, Mexico has decided to give reciprocal access to U.S. fructose. Mexico will issue import permits up to a maximum of 250,000 mt of the following fructose products with HTS numbers: 1702.40.99, 1702.60.01, 1702.60.02, and 1702.60.99. Permits will be issued from October 1, 2005 to September 30, 2006. (Source: *Diario Oficial*; 09/30/05)

SUGAR CANE PRODUCERS BLOCK SUGAR MILLS IN PROTEST

The sugar cane producers from the National Association of Sugar Cane Producers took and closed 34 of 58 sugar mills around the country. Entry was blocked in response to the Federal Government's September 21 request to the Supreme Court of Justice to rule the Sugar Cane Law unconstitutional. The Supreme Court decided to receive the petition and gave the interested parties 30 days to present information. In July 2005, President Fox announced he would veto the Sugar Cane Law that was approved by the Congress, leading to massive demonstrations by the cane producers in Mexico City and other places in an

attempt to force the government to accept the Law. After negotiations between Legislators, cane producers, and the Secretariat of Agriculture (SAGARPA), the President agreed to publish the Law on August 22, after the promise from the Legislators that they would agree to changes to the Sugar Law. Cane associations indicate that the government wants to reject the law to support the interests of the sugar mill industry that wants more flexibility in the purchase of the sugarcane and limits on the volume of cane to be purchased. (Source: Reforma 09/24/05, Financiero, La Jornada, 09/26/05)

CONSUMPTION OF 'JUNK FOOD' CONTINUES TO RISE IN MEXICO

In the last decade, consumption of fruit, vegetables, lean meat and whole grains has fallen more than 30 percent, while consumption of sweetened, carbonated drinks and refined carbohydrates has increased by the same percentage. As a result, Mexico suffers from the second highest level of obesity in the world. Urban women are more obese than rural women and there is more obesity along the US-Mexican border than in the interior of the country. According to an AC Nielsen survey, annual per capita consumption of carbonated drinks in Mexico is 121 liters, one of the highest in the world. (El Financiero, 09/21/05)

ANALYSTS FORECAST SLOW ADVANCE IN AGRICULTURE

Agricultural analysts from U.S. and Mexican universities consider that Mexico's newly appointed Secretary of Agriculture, Francisco Mayorga, will face difficulties in solving the main problems faced by Mexico's agricultural sector in the year left for this administration. Tony Hinojosa, from Texas A&M, believes that time is a constraint, and just understanding the current situation will take Mayorga 4 to 5 months. "It's common in Mexico that after a cabinet shift, Under Secretaries maintain a low profile, because they don't know the new Secretary's agenda", Hinojosa said; a tradition that complicates the achievement of goals and maintenance of established programs. According to specialists, the new head of SAGARPA should focus on new market access, providing cheap credit and financing, and solving water-related problems. (Source: Reforma; 9/29/2005)

REPORTS RECENTLY SUBMITTED BY FAS/MEXICO CITY

MX5085	Sugar Semi-Annual	9/23/05
MX5084	Weekly Highlights and Hot Bites, Issue #32	9/23/05
MX5083	Weekly Highlights and Hot Bites, Issue #31	9/19/05
MX5082	Mexico Announces the TRQ for Feeder Cattle Imports from Countries with Animal Health Agreements Celebrated with Mexico	9/19/05
MX5081	Mexico Establishes 2005 Additional Volume on Out-of-Quota Milk Powder Imports	9/12/05
MX5080	Weekly Highlights and Hot Bites, Issue #30	9/09/05
MX5079	Apple Annual	9/07/05
MX5078	Weekly Highlights and Hot Bites, Issue #29	9/02/05
MX5077	Livestock Annual	9/01/05
MX5076	Weekly Highlights and Hot Bites, Issue #28	8/29/05
MX5075	Mexican Customs Establishes Grace Period for Correcting Errors in Import and Export	8/29/05

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